

Performance Management Project

1.1. Project Description

The recent updates to the CalPERS' Strategic Plan, Goals, and Business Objectives have prompted an examination of what we measure and how we use the information. Management must be able to identify efficiencies and inefficiencies, leverage resources/staff, and apply them to areas in need. The backlog issues around ARSC and disability have underscored the need to improve reporting to the Board.

Performance Management is a holistic approach that brings focus on overall results, measuring results, focused and ongoing feedback about results, and development plans to improve results. The results measurements themselves are not the ultimate goal, as much as ongoing feedback and adjustments to meet strategic goals.

1.2. Project Mission Statement

The *Performance Management Project* will create an approach that includes processes and procedures to capture critical business performance information necessary for management of the pension business line.

1.3. Project Objectives

The objectives of the *Performance Management Project* are to:

- Develop performance management strategies for achieving CalPERS' business objectives
- Leverage existing performance management efforts currently underway to assist with identifying, developing and creating appropriate performance management strategies
- Retain the consulting expertise necessary to develop a performance management approach to meet CalPERS' current and future needs
- Provide staff education and communication
- Ensure that staff, management, and Board needs for valid reporting are met

1.4. Scope Statement

The following activities are considered to be in scope:

- Conduct an initial assessment of current performance measurement processes.
- Develop and approve process and procedures for the enterprise Performance Management program: which includes identifying appropriate methods for data collection, reporting, analysis, and decision making process and executing the changes for better performance.

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- Effectively develop staff and Board understanding of performance management philosophies
- Institute clearly defined performance management roles and responsibilities
- Provide clear and concise training and communication programs
- Develop a detailed project plan for the Performance Management Project

This will be accomplished by a cross-functional team lead by the Actuarial and Employer Services Branch (AESB) and Member and Benefit Services Branch (MBSB), with resources from the Administrative Branch and ITSB.

1.5. Project Timeline

- April 2006 Consultant Solicitation (RFO)
- May 2006 Consultant Assessment
- June 2006 Consultant Report to BPAC
- September 2006 Project Plan to BPAC